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Attorneys for AOL Inc., f/k/a AOL LLC

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)
) Chapter 11
Delphi Corporation, et al.,)
) Case No. 05-44481 (RDD)
Debtor.) (Jointly Administered)
)

DECLARATION OF RONALD J. LOVATO

I, Ronald Lovato, declare and state as follows:

1. I am currently the Principal Systems Analyst in the Core Services Billing Operations at AOL Inc., f/k/a AOL LLC ("AOL"). I have held this position since July 15, 2009.
2. I first joined AOL on December 2, 1996, at which time, I was a Technical Rep Phones, Technical Support in the AOL Call Center in Albuquerque, New Mexico. On July 27,

1997, my title changed to RST Specialist in the Call Center. “RST” stands for Representative Support Team. Then, on December 1, 1997, I was promoted to Senior CCC-RST. “CCC” stands for Customer Care Consultant. On October 31, 1999, I became an Analyst in the Network Operations Center (“NOC”) in Reston, Virginia. On November 1, 2000, I became a NOC Supervisor in the Network Operations Center (“NOC”) in Reston, Virginia.

3. In August 2001, I started as a Systems Analyst in Billing Operations, which is currently under the business group Core Services. My title formally became Systems Analyst on December 1, 2001. Thereafter, I became a Senior Systems Analyst, and ultimately was promoted to my current title of Principal Systems Analyst.

4. From a day to day perspective, a System Analyst at AOL is responsible for the AOL billing system. The billing system is composed of several sub-systems which support e-commerce, syndication, and subscription based billing for the AOL properties. The functions performed include invoice creation, bill presentment to our payment processor, and maintaining the Accounts Receivable balances at the customer level. These systems provide the Accounting Department both transactional details, as well as detailed reporting.

5. In my capacity as a System Analyst, I, and other System Analysts, maintain all aspects of the AOL billing system, including generating daily billing invoices, sending invoices to payment processors to determine if the invoices have been approved or disapproved, and determining the status of the payment. We maintain the account receivable data at the individual customer level. System Analysts also handle business escalations, such as urgent changes in requirements, new projects, or incident reports from members disputing the validity of a bill from the business owners, call centers, or accounting (e.g. if there are questions on the revenue reports). Stated otherwise, my main role in my capacity as a System Analyst is to work

with accounting and business owners, and to evaluate and implement changes to the system, as well as analyze the impact of these changes on revenue reporting. Also, I provide root-cause analysis on any anomalies or suspected incidents which may affect revenue or membership reporting. Further, if a project would change the AOL customer member base from a pricing standpoint (an increase or decrease in pricing), or if there is a system problem requiring the correction of a customer issue, I would handle or oversee such changes or corrective measures.

6. As a Systems Analyst in Billing Operations, I am familiar with the billing side of the AOL- Delphi Affinity Program, which operated from approximately June 2001 through December 31, 2007.

7. The AOL-Delphi Affinity Program and its corresponding billing was governed by the Confidential Partner Marketing Agreement between AOL and Delphi Automotive Systems LLC dated May 5, 2005 (the "Partner Agreement") and AOL Delphi Retiree Offer Agreement between Delphi Automotive Systems LLC and AOL dated May 5, 2005, along with their predecessor agreements, amendments, exhibits, schedules and appendices to each, the "Agreement" or "AOL-Delphi Agreements").

8. The AOL-Delphi Affinity Program enabled Delphi to procure AOL services for its employees and retirees (collectively "the Participants") at a discounted rate.

9. Under the terms of the AOL-Delphi Agreements, billing for AOL service was done in two parts: each month AOL's Accounting Department invoiced Delphi for its share of the price for each eligible Participant (approximately \$7.00 per month from June 2001 to July 2005 and \$4.25 per month from August 2005 to December 31, 2007) and then AOL's Billing Operations direct billed each eligible Participant for the employee portion of the price (approximately \$5.00 per month).

10. To facilitate billing, AOL maintains a system of price index codes (“PI Code”) for its internal use. Each AOL internet services account receives a PI Code reflecting the monthly charge for such account.

11. Consistent with this system, AOL assigned one of a number of Delphi-specific PI Codes to each Participant’s account. For a given account, these Delphi PI Codes determined the amount of the employee portion and Delphi portion for which AOL charged the Participants and Delphi, respectively.

12. Billing Operations handled the direct billing to the individual Delphi employees using a report that was run monthly showing every AOL customer who was tied to the Delphi price index. Accounting would then generate matching invoices based on that reporting to invoice the Delphi portion.

13. Billing Operations moved Participants on and off the Delphi price indexes monthly as required by the terms of the Agreements.

14. Based on my review of the AOL customer level records, over the life of the AOL-Delphi Affinity Program, there were only two discrete periods where there were accelerations in the total number of Participants exiting the AOL-Delphi Affinity Program (i.e. declines in the total number of Participants remaining under the program). Specifically, the first acceleration occurred in the Fall of 2006, which occurred after AOL announced its free service in August

2006. The second acceleration began at the end of the AOL-Delphi Affinity Program in December 2007.

I declare under penalty of perjury that the statements contained in this declaration are true and correct.

Dated this 17th day of September, 2010.

/s/ Ronald J. Lovato
Ronald J. Lovato